

MONTANA

Mass Layoffs and Unemployment in Montana

1989

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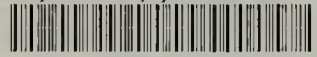
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MASS LAYOFFS AND UNEMPLOYMENT IN MONTANA

◆ 1989 ◆

State of Montana

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Published January 1991

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◆ About this Publication ◆

Using data collected from the **Mass Layoff Statistics (MLS)** program in **1989**, this publication includes information on industries experiencing layoffs – and on the Montana workers laid off during those events. Information is also provided on programs created to help dislocated workers. In addition, **Current Population Survey (CPS)** and **Unemployment Insurance (UI)** information is included to provide background on general characteristics of **all** unemployed workers in Montana – not just those workers affected by mass layoffs.

Information contained in this publication is useful for analysis of the causes and magnitude of worker layoffs. It should be valuable to labor market analysts and employment program planners in developing plans to assist employers and workers affected by layoffs and plant closures. It should also be useful to state and local government officials, Job Service personnel, educators, business leaders and Job Training Partnership Act (JTPA) program providers. Data from the MLS program is also very important in the allocation of Economic Dislocation and Worker Adjustment Act (EDWAA) funds to Montana.

Mass layoff and unemployment statistics reveal much about Montana's economy and people. We hope this publication provides readers with valuable information about Montana's unemployed – and that it raises some questions also. Please feel free to ask questions, and to make suggestions about how we can expand on our labor market information concerning laid-off and unemployed workers.

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◆ Mass Layoff Statistics Program ◆

Purpose

The **Mass Layoff Statistics (MLS) program** identifies, describes and tracks the impact of major job cutbacks on workers in Montana. Data collected provides a wealth of information on employment cutbacks – and the areas in Montana where cutbacks have resulted in unemployment. Data also provides information on the kinds of industries impacted, where in Montana they're located, and reasons for the layoffs.

In Montana, even small layoffs can result in severe hardships on affected communities. Information available from the MLS program is useful when analyzing the causes and magnitude of worker dislocation – especially in terms of human and economic costs to the people of Montana.

Background

The program of data collection on **Mass Layoff Statistics (MLS)** was developed in 1984 in response to Section 462 (e) of the Job Training Partnership Act of 1982 (PL97-300). This legislation provides that the U.S. Secretary of Labor develop and maintain statistical data relating to permanent layoffs and plant closings.

The Secretary of Labor is mandated to publish a national report annually based on such data, including:

- the number of plant closings;
- the number of workers displaced;
- the locations of the affected facilities; and
- the types of industries involved.

The Montana Department of Labor and Industry was chosen as one of 26 pilot state employment security agencies to participate in the MLS program in 1986. The MLS program has since grown to include the participation of 49 states and the District of Columbia, with data published on 44 states in 1989.

Data Collection

Information on mass layoffs is developed initially from Montana's unemployment insurance (UI) database. Data is collected using a standardized, automated approach for identifying establishments which have had **at least 20 initial unemployment insurance claims** filed against them during a **consecutive 3-week period**.

Telephone calls are made to the identified establishments to find out if a permanent layoff or plant closing has occurred. A **permanent layoff** is a layoff which **lasts more than 30 days**. A plant is considered closed if the employer **plans to close, is closing or has closed** the plant.

The continuing impact of a layoff is then monitored by tracking the number of laid-off workers who continue to file for unemployment insurance benefits in the months following layoff events — along with the number of affected workers who have exhausted their UI benefits.

In sparsely populated states such as Montana, even small layoffs can have a tremendous impact on communities. The Montana MLS program maintains and reports data on layoffs in categories of establishments with **20-49 layoffs**, and **50-plus layoffs**. Both categories are discussed in this publication.

Information from continued and exhausted UI claims accounts provides general information about those workers who have had difficulty finding re-employment.

It should be noted that numbers collected from unemployment insurance files will usually be lower than the actual numbers of workers displaced by layoffs and plant closings. This is because some separated workers do not file for unemployment insurance benefits because:

- They are not eligible for benefits.
- They are transferred to another job location.
- They quickly find other employment.
- They choose not to file for benefits.

50-Plus Layoffs Category

Overview

In 1989, Montana's MLS program identified 6 business establishments (Figure 1) that had each laid off at least 50 workers over a 3-week period. Layoff activity in 1989 was down about 50 percent from 1988, and 34 percent from 1987. This contrasted favorably with the national picture, where 50-plus layoffs were up 25 percent over 1988.

Another distinguishing feature from the previous 2 years in Montana was that no 50-plus layoff events occurred during the second and third quarters of 1989. Montana's low incidence of layoffs may have been due to the influence of a stronger 1989 economy in the state.

(Figure 1)

MONTANA'S 50-PLUS CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE BY INDUSTRY, 1989						
Industry	Establishments	Layoff Events			Separations	Initial Claimants for Unemployment Insurance
		Total	New	Related to Prior Layoffs		
Total, Nonagriculture	6	8	5	3	938	582
Manufacturing	2	2	1	1	192	103
Durable Goods	1	1	0	1	7	7
Nondurable Goods	1	1	1	0	185	96
Nonmanufacturing	4	6	4	2	746	479
Mining	1	1	1	0	160	151
Construction	2	4	2	2	286	260
Transp. & Public Utilities	1	1	1	0	300	68

Industry Distribution of Layoffs for 50-plus Category

The incidence of mass layoffs in manufacturing industries usually exceeds that of any other major industry grouping in Montana and in the nation, but only 20 percent of Montana's separations during 1989 were in manufacturing (Figure 2). Nationally, slightly more than half of mass layoffs were in manufacturing.

Manufacturing industry activity is divided into 2 categories — durable goods manufacturing and nondurable goods manufacturing.

(Figure 2)

MONTANA'S 50-PLUS CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE IN MANUFACTURING, 1989				
Industry	Establishments	Layoff Events	Separations	Initial Claimants for Unemployment Insurance
Total Manufacturing	2	2	192	103
Durable Goods	1	1	7	7
Miscellaneous Manufacturing	1	1	7	7
Nondurable Goods	1	1	185	96
Food & Kindred Products	1	1	185	96

Nondurable goods are manufactured goods that are expected to be in use for less than 3 years. All of the 1989 layoffs in Montana's **nondurable goods manufacturing** sector were in **sugar manufacturing**. Historically, 2 sugar manufacturing firms in Montana experience 50-plus layoffs each year. This past year, however, one of those firms dropped down into the 20-49 layoffs group. In this instance, the number of workers affected by seasonal layoffs was about the same as during the previous year, but the layoffs occurred over a longer period of time.

Durable goods are those manufactured goods that are expected to be in use for longer than 3 years. The only 1989 layoff event in Montana's **durable goods manufacturing** industries was a continuation of a late-1988 layoff involving a firm that manufactured military field kits and had completed its contract. The administrative records search section beginning on page 11 of this publication reviews this layoff in more detail.

The **non-manufacturing** industry with the most layoffs in 1989 was Montana's **transportation** industry. Many of the laid-off workers, however, were temporary or part-time workers hired to deliver Christmas packages. Only one-fourth of them filed, and qualified, for initial UI benefits.

Mining and construction industry layoffs were mainly the result of winter work force reductions, and 92 percent of the laid-off workers applied, and qualified, for UI benefits.

Reasons for Layoffs in 50-plus Category

"Seasonal work" was cited most often by Montana employers as the reason for 50-plus category layoffs in 1989 (Figure 3). In fact, seasonal layoffs accounted for 99 percent of the layoffs. This high "seasonal work" percentage compares with 66 percent

in 1988, and 52 percent in 1987. Nationally, seasonal layoffs accounted for slightly less than one-third of separations in 1989.

(Figure 3)

MONTANA'S 50-PLUS CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE BY REASON FOR SEPARATION, 1989			
Reason for Separation	Layoff Events	Separations	Initial Claimants for Unemployment Insurance
Total, All Reasons	8	938	582
Contract Completion	1	7	7
Seasonal Work	7	931	575

Dramatic seasonal variations in Montana's weather result in the state traditionally having more seasonal layoffs than the nation as a whole. In addition, some Montana industries use short-term employment during their busiest times of the year. The very high rate of seasonal layoffs in 1989, however, is considered to be a unique, rather than a dominating trend.

Fewer laid-off workers file for UI benefits when seasonal layoffs are as prevalent as they were in 1989 because many of the workers involved are part-time employees, or know their work assignments will be short term. In fact, only 62 percent of Montana's separated workers in the 50-plus layoffs category filed, and qualified, for UI benefits in 1989. This compared to 69 percent in 1988, and 74 percent in 1987.

Only 1 layoff event was attributed to "contract completion" in 1989. It involved the continuation of a late-1988 layoff at a durable manufacturing firm that had manufactured military field kits.

Claimant Characteristics for 50-plus Category

The MLS program obtains most of its information on the characteristics of laid-off workers at 2 points in time: (1) when laid-off workers initially file for unemployment benefits; and (2) when claimants exhaust their regular UI benefits.

There were 149 UI benefit exhaustees reported in the 50-plus layoffs group during 1989. About three-fourths of those laid off exhausted their claims in the first 6 months of 1989. This usually means the initial claims were filed in the previous year—and a review of UI records confirmed that this was the case in 1989.

Comparisons between the characteristics of initial claimants and benefit exhaustees (*Figures 4 and 5*) provide general information on those workers who had

greater difficulty re-entering the labor market. Benefit exhaustees had not necessarily been on 1 layoff for a full 26 weeks, however, because they may have depleted whatever benefits they were entitled to during previous layoff events.

- In Montana, records showed that workers over the age of 55 did not encounter any major difficulty in finding re-employment in 1989.
- Montana had a lower percentage of women applying for initial UI benefits and exhausting UI benefits in the 50-plus group than the nation did – as the following tables (*Figures 4 and 5*) illustrate. This is because nearly all the industries represented in Montana’s 50-plus layoff situations had low percentages of women in their work forces. For example, the construction, mining and transportation industries had a combined female employment of only 16 percent. (Women accounted for about one-third of both those applying for initial UI benefits in the 20-49 layoffs group, and for ALL persons drawing UI benefits.)

(Figure 4)

NATIONAL DATA FROM 44 STATES ON UI CLAIMANT CHARACTERISTICS OF 50-PLUS CATEGORY LAYOFFS, 1989		
Characteristic	Initial Claimants	Exhaustees
Percent Women	42.0%	47.0%
Percent Over Age 55	12.6%	13.5%

(Figure 5)

MONTANA DATA ON UI CLAIMANT CHARACTERISTICS OF MONTANA'S 50-PLUS CATEGORY LAYOFFS, 1989		
Characteristic	Initial Claimants	Exhaustees
Percent Women	7.2%	26.8%
Percent Over Age 55	12.2%	16.1%

In addition to the number of initial claimants and workers who have exhausted their UI benefits, another measure of the impact of layoffs is the number of continued claimants. These are jobless people who certify to unemployment and receive benefits after filing initial claims.

Continued claims information is useful in tracking the claims against an individual company throughout the year. Montana’s MLS program also uses this information to find out if claimants had any part-time earnings while they were obtaining UI benefits. In 1989, only 7 percent of the 50-plus claimants had any part-time earnings while they were obtaining UI benefits.

20-49 Layoffs Category

Overview

Montana's MLS program also monitors and reports layoffs affecting 20-49 workers because layoffs of this size can have a big effect on Montana communities. (NOTE: Since not all states monitor layoffs of fewer than 50 people, national data for the 20-49 layoffs category is incomplete and not published. Therefore, national comparisons with Montana's 20-49 layoffs data are not included in this publication.)

In Montana, 39 business establishments were associated with the layoffs of 2,416 people during 42 layoff events in the 20-49 layoffs category during 1989 (Figure 6). Fifty-eight percent of the laid-off workers filed claims for unemployment insurance.

(Figure 6)

MONTANA'S 20-49 CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE BY INDUSTRY, 1989						
Industry	Establishments	Layoff Events			Separations	Initial Claimants for Unemployment Insurance
		Total	New	Related to Prior Layoffs		
Total, Nonagriculture	39	42	39	3	2,416	1,395
Manufacturing	7	8	7	1	467	364
Durable Goods	6	7	7	0	297	265
Nondurable Goods	1	1	0	1	170	99
Nonmanufacturing	32	34	32	2	1,949	1,031
Mining	1	1	1	0	33	22
Construction	8	10	8	2	314	293
Transp. & Public Utilities	5	5	5	0	263	164
Services	17	17	17	0	1,274	527
Trade	1	1	1	0	65	25

Industry Distribution of Layoffs for 20-49 Category

Construction and lodging businesses accounted for the majority of layoffs in non-manufacturing industries. Only the construction industry had a high rate of filing, and qualifying, for unemployment benefits.

Hotels and lodging places laying off 20-49 workers in 1989 were involved in winter recreation, and many of the laid-off workers were part-time and temporary employees – also resulting in a low rate of UI eligibility. Other service industry layoffs were mainly due to school year closings in areas such as contract transportation businesses and Head Start programs.

Only one-fifth of the separations in the 20-49 layoffs category were in manufacturing industries, with the bulk of these layoffs taking place in **lumber and wood products** businesses, and **ready-mixed concrete** firms (*Figure 7*). Of these laid-off manufacturing workers, 89 percent filed and qualified for UI benefits.

(Figure 7)

MONTANA'S 20-49 CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE IN MANUFACTURING, 1989				
Industry	Establishments	Layoff Events	Separations	Initial Claimants for Unemployment Insurance
Total Manufacturing	7	8	467	364
Durable Goods	6	7	297	265
Lumber & Wood Products	3	3	178	170
Miscellaneous Manufacturing	1	2	54	49
Ready-mix Concrete	2	2	65	46
Nondurable Goods	1	1	170	99
Food & Kindred Products	1	1	170	99

Reasons for Layoffs in 20-49 Category

“Seasonal work” was the reason cited for two-thirds of the layoffs in the 20-to-49 layoffs category (*Figure 8*). Many of the businesses involved in seasonal layoffs have historically had about the same number of layoffs each year. They include **sugar manufacturing, construction and mining** businesses.

“Contract completion” was the reason cited for 15 percent of the layoffs. Together, “seasonal work” and “contract completion” accounted for nearly 80 percent of the layoffs in the 20-49 layoffs category during 1989.

“Material shortage” was the reason cited for 3 manufacturing layoff situations involving a total of 186 laid-off workers – 95 percent of whom filed for UI benefits. All 3 involved lumber mills with log supply difficulties.

(Figure 8)

MONTANA'S 20-49 CATEGORY MASS LAYOFF EVENTS, SEPARATIONS AND INITIAL CLAIMANTS FOR UNEMPLOYMENT INSURANCE BY REASON FOR SEPARATION, 1989			
Reason for Separation	Layoff Events	Separations	Initial Claimants for Unemployment Insurance
Total, All Reasons	42	2,416	1,395
Contract Completion	3	370	116
Seasonal Work	31	1,595	961
Materials Shortage	3	186	177
Domestic Relocation	1	65	25
Bankruptcy	1	24	21
Contract Cancelled	1	43	34
Lack of Funds	2	133	61

Claimant Characteristics for 20-49 Category

Laid-off workers in the 20-49 layoffs group who exhausted their UI benefits in 1989 were involved with the **construction** industry more than any other industry. Claimants had benefits exhausted twice as much in the first half of the year as compared to the last half of the year – probably because many of the claimants had been laid off in 1988, and their UI eligibility ran out in 1989.

Only 1 out of 10 laid-off workers earned any wages while claiming continued UI benefits, which shows that part-time work was not common among those drawing unemployment benefits.

Comparisons Between 50-Plus and 20-49 Layoffs Categories

Layoffs in the 20-49 layoffs category during 1989 accounted for 5 times as many businesses involved, and 2 and one-half times as many separations as in the 50-plus layoffs category. Also, some of the seasonal layoffs that often show up in the 50-plus category shifted to the 20-49 group in 1989.

Nearly the same percentage of those people laid off in both categories applied, and qualified, for unemployment benefits. Specifically, 58 percent of those in the 20-49 group qualified for benefits – and 62 percent of those in the 50-plus group. In comparison to the previous year, 1989 UI benefits for the 20-49 group were at nearly the same level, but UI benefits for the 50-plus group dropped significantly to about three-fourths of the 1988 level. This is probably because more temporary and part-

time workers – who did not qualify for benefits – influenced the overall total of the larger layoff category.

Initial UI claims differed between the two layoff categories for women, but were about the same for people over the age of 55 (*Figures 9 and 10*). Initial UI claims made by women comprised about one-third of the 20-49 group total, but only accounted for 1 of every 14 laid-off workers in the 50-plus group. Women in the 50-plus layoff group exhausted U.I. benefits at a higher rate than women in the 20-49 category. However, the previous year's activity often is a strong influence on the exhaustee situation, and 1988 had greater 50-plus UI benefits activity.

The over-age-55 exhaustee percentage was close to the initial claims rate for both groups (*Figures 9 and 10*). Sometimes the exhaustee rate can indicate that workers had difficulty in returning to work, but the UI data showed that was not the case in 1989.

Manufacturing layoffs were the same for both categories, or 20 percent of the total separations. This is the same as the previous year for the smaller group, but a large decrease for the 50-plus group, which stood at 50 percent in 1988.

Fifty-three percent of the total separations in the 20-49 category were in the services industry – whereas there were no services industry layoffs in the 50-plus category. Mining was the only industry where the 50-plus group had more workers affected than the 20-49 group.

(Figure 9)

MONTANA DATA ON UI CLAIMANT CHARACTERISTICS OF MONTANA'S 50-PLUS CATEGORY LAYOFFS, 1989		
Characteristic	Initial Claimants	Exhaustees
Percent Women	7.2%	26.8%
Percent Over Age 55	12.2%	16.1%

(Figure 10)

MONTANA DATA ON UI CLAIMANT CHARACTERISTICS OF MONTANA'S 20-49 CATEGORY LAYOFFS, 1989		
Characteristic	Initial Claimants	Exhaustees
Percent Women	34.3%	19.4%
Percent Over Age 55	9.4%	11.8%

Employers cited “seasonal work” as the reason for 66 percent of the layoffs in the 20-49 category – and 99 percent in the 50-plus category. During the previous year, 65 percent of the layoffs in both categories were classified as “seasonal work” layoffs.

Administrative Records Searches

Keeping Track of Laid-Off Workers

The Montana MLS program has developed an administrative records search process to find out what has happened to workers who have lost their jobs in selected layoff situations. An administrative records search involves making a **quarterly search** of unemployment insurance benefits files to determine if workers laid off in selected layoffs have found jobs in Montana or are still receiving unemployment insurance benefits.

If a worker has found a job, the administrative records search finds: (1) what industry the job is in, (2) where the job is located, (3) how many weeks were worked in a quarter, and (4) how much the job pays. Comparisons can then be made between a worker's former and present job.

If a worker is still receiving unemployment insurance benefits, the administrative records search is able to determine for a specific week in each quarter: (1) where the worker lives and (2) the type of industry he or she last worked in.

When an administrative records search does not yield any recent information on workers, it often means that laid-off workers have: (1) separated from the labor force, (2) left Montana, (3) recently exhausted their UI benefits, or (4) are working in employment not subject to unemployment insurance coverage.

Administrative records searches have been done in the past on workers laid off during plant closures in Montana of a lumber mill, a meat packing plant, a copper mine, a copper smelter and a copper refinery. (The 1986 Plant Closure Study publication that presented the findings of these 5 administrative records searches is available in limited supply from the Department of Labor and Industry's Research and Analysis Bureau.)

In 1990, Montana MLS analysts continued an administrative records search begun in 1989 in connection with the December 1988 closure of a Polson-area rubber fabricating plant.

Big Sky Fabricators

Background

Big Sky Fabricators is a rubber-fabricating manufacturing firm located near Polson, Montana that has been on Montana's UI tax files since October 1979. Employment ranged from 20-50 workers from 1983 through mid-1987. At that time, employment surged to about 140 workers when the firm procured a government contract for manufacturing military field kits. Employment stayed at that level until the

government contract expired and the firm closed in December 1988. Of the 125 workers who were laid off from November 1988 through January 1989, 70 percent were women.

The firm continued to seek other government contracts, but had not yet procured one as of July 1990.

UI Records Search

Information was gathered on all employees who worked at Big Sky fabricators during the last 3 months of full operation (referred to as **all employees** in the study). Information was also captured on all employees who filed for UI benefits after being laid off (referred to as the **UI benefits group**).

Information about the former workers was gathered at 2 points in time: (1) during the second quarter of 1989 – about 6 months after the mass layoff, and (2) during the first quarter of 1990 – about 1 year after the layoff. One-half of **all employees** filed and qualified for UI benefits.

New Employment Location

Where specific county locations of the separated workers could be identified through UI wage records, most of the workers were found to be working in Lake County, with little shifting toward other counties between the 2 study periods. Multi-county businesses operating in more than 1 county accounted for 1 out of 5 jobs, but most of these firms employ workers in Lake County. Therefore, nearly all of the identified workers apparently continued to stay close to home.

Wage Data

Wage information from UI tax records indicated that Big Sky Fabricators employees, including management, averaged \$230 per week in wages. Records showed that they had not managed to obtain the pay levels they averaged at Big Sky Fabricators. One year after the closure, all employees showed a weekly payroll averaging \$199 per week, while the UI benefits group showed earnings averaging \$177 per week.

Both groups showed the same portion of workers with new wage-and-salary jobs:

- Fifty percent had found wage-and-salary jobs 6 months after being laid off.
- Twenty-five percent had found wage-and-salary jobs 1 year after being laid off.

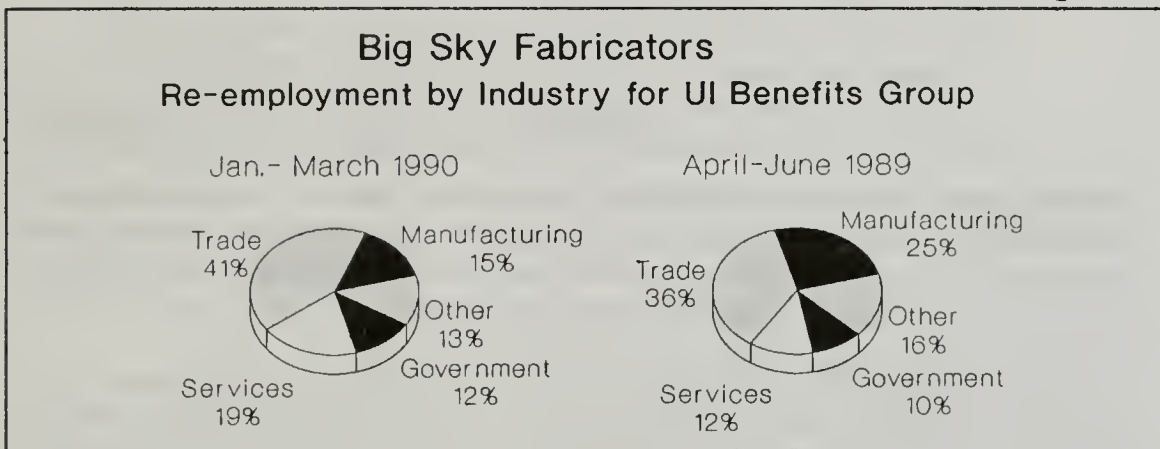
The number of workers achieving stabilized employment showed improvement over time. A **stabilized** job is defined as working at least 12 out of the 13 weeks in the study quarter, and excluding any of the 1-week-only work from the summary. For

both groups, the number of workers who achieved a **stablized** job increased from about one-third at 6 months – to about three-fourths at 1 year.

Industry Data

When **Big Sky Fabricators closed down**, female workers comprised 64 percent of all employees – and 70 percent of the UI claimants group. Statewide, only 20 percent of Montana’s overall manufacturing jobs are held by women. It’s not surprising, therefore, to find that many of the new jobs found by laid-off Big Sky Fabricators workers had shifted from manufacturing to the trade, service and government sectors (*Figure 11*).

(Figure 11)



UI Benefits Claims Data

Many unemployment and employment studies are done during the week that includes the 12th day of the month. If no wage records are found during the first phase of an administrative records search, then a UI benefits search is done. In order to maintain consistency, UI benefits information was taken from the benefits weeks ending June 17, 1989--and March 17, 1990.

Just as with the wage data, UI benefits data revealed that most of the separated Big Sky Fabricators employees stayed close to home. In both groups, UI claimants were found to be residing in Lake County or in neighboring counties. For the all-employee group, 15 percent were drawing UI benefits after 6 months – and 6 percent after 1 year. Thirty-eight percent of the UI benefits group were still drawing benefits 6 months later – and 10 percent 1 year later. During 1989, 6 out of 10 UI claimants used up all of their UI benefits.

MLS analysts appreciate the cooperation of Big Sky Fabricators and other Montana employers who have helped make administrative records searches possible by providing the necessary information about mass layoffs and plant closures. The information they provide is an essential part of mass layoffs research.

Conclusions

1989 MLS program activity was similar to the previous year's with a few exceptions:

- The “seasonal work” reason for the 50-plus layoffs category stood out more in 1989 than any other year since Montana’s MLS program began in 1986.
- At the same time, wage-and-salary job growth occurred at the highest percent increase for the decade. How much this related to the increase in “seasonal work” layoffs is not clear – but is certainly notable.
- The manufacturing industry’s incidence rate in the 50-plus layoff category was unusually low. This can be partially attributed to layoffs being spread over many weeks, resulting in several layoff incidents being reported in the 20-49 layoff category rather than in the 50-plus category.

Montana was fortunate to buck the national trend and have a lower rate of layoff incidents in 1989 than the nation as a whole. In fact, UI claims activity for all claimants in the state (not just those affected by mass layoffs) noted a 7 percent **decrease** in Montana – compared to a 3 percent **increase** nationally.

Even the percent of incidents that appeared to be permanent plant closures was more favorable in Montana than in the nation as a whole. Permanent closures or long-term work force reductions of approximately 30 to 65 workers that occurred in Montana during 1989 included: (1) a Missoula trucking firm, (2) a Billings-based retail clothing chain, and (3) a tribal government entity.

In the future, Montana’s long term economic development should reflect changes in the global economy--along with any changes in environmental policy and military spending.

◆ Help for Dislocated Workers ◆

Dislocated Worker Protection

Dislocated workers in Montana are protected by several federal laws that require advance notification of mass layoffs and provide funding for dislocated worker assistance programs:

- The **Worker Adjustment and Retraining Notification Act (WARN)** was designed to protect U.S. workers from sudden mass layoffs, and went into effect February 4, 1989. It requires employers of 100 or more workers to give at least 60 days advance notice of a plant closing if they plan to close a facility or operating unit with 50 or more workers. A covered employer must also give notice if there is to be a mass layoff of 500 or more employees – or 50-499 employees if they make up at least 33 percent of the workforce. In Montana, employers must give written notice at least 60 days in advance to: (1) each employee, or an employee’s union representative; (2) the chief elected official of the unit of local government where the employment site is located; and (3) Montana’s Dislocated Worker Unit, which is attached to the Montana Department of Labor and Industry’s Research, Safety and Training Division.

Written notice does **not** need to be given when employees were told when hired that their employment would be temporary or seasonal – or when a strike or lockout occurs in the normal course of collective bargaining. This federal legislation also makes allowances for “unforeseeable business circumstances” and natural disasters.

- The **Economic Dislocation and Worker Adjustment Assistance Act (EDWAA)** amends Title III of the Job Training Partnership Act, and provides funding to state dislocated worker programs. There are no income requirements, and eligible dislocated Montana workers can be served by EDWAA funded programs which provide skills evaluation,

career counseling, job training and retraining, and training in job seeking skills. Relocation assistance and on-the-job training are also available.

- **Montana has developed a rapid response delivery system designed to respond within 48 hours to layoff and plant closing notifications. Montana Job Service personnel travel to affected communities to plan and coordinate services for employers and dislocated workers.**
- **The Trade Adjustment Assistance Act (TAA) provides for assistance to U.S. workers who lose jobs, or have their hours and wages reduced, as a result of increased foreign imports. Workers may be eligible for training, job search allowances, relocation allowances and other re-employment services. Weekly trade readjustment allowances may also be available to eligible workers who have exhausted unemployment benefits.**

Who to Contact

For more information on programs to help dislocated Montana workers quickly re-enter the labor force, contact:

**The Montana Dislocated Worker Unit
Research, Safety and Training Division
Montana Department of Labor and Industry
P.O. Box 1728
Helena, MT 59624
(406) 444-4500.**

◆ GENERAL UNEMPLOYMENT ◆ INFORMATION

Data Sources

Current Population Survey (CPS)

Approximately 1,000 households are surveyed each month in Montana along with 55,000 other households around the United States as part of the **Current Population Survey (CPS)**. These monthly population surveys are conducted through a scientifically-selected sample. Survey results yield valuable information about the unemployed in Montana and the rest of the nation.

The following CPS unemployment information is intended as **general information about all unemployed** people in Montana. It applies **both** to those out of work because of mass layoffs – **and** to all other unemployed Montanans. Most of it is based on 1989 annual averages.

Remember: CPS unemployment data is taken from a sampling of all unemployed – not just those unemployed because of mass layoffs.

Unemployment Insurance (UI)

Unemployment Insurance (UI) data is collected from the covered unemployed insurance data base. The characteristics of those laid-off workers who received UI monetary benefits in 1989 were captured for the second month of each quarter – and then rolled into an annual average for comparison purposes. The information gathered reflects the activity for the week of the 12th – as does the CPS unemployed information.

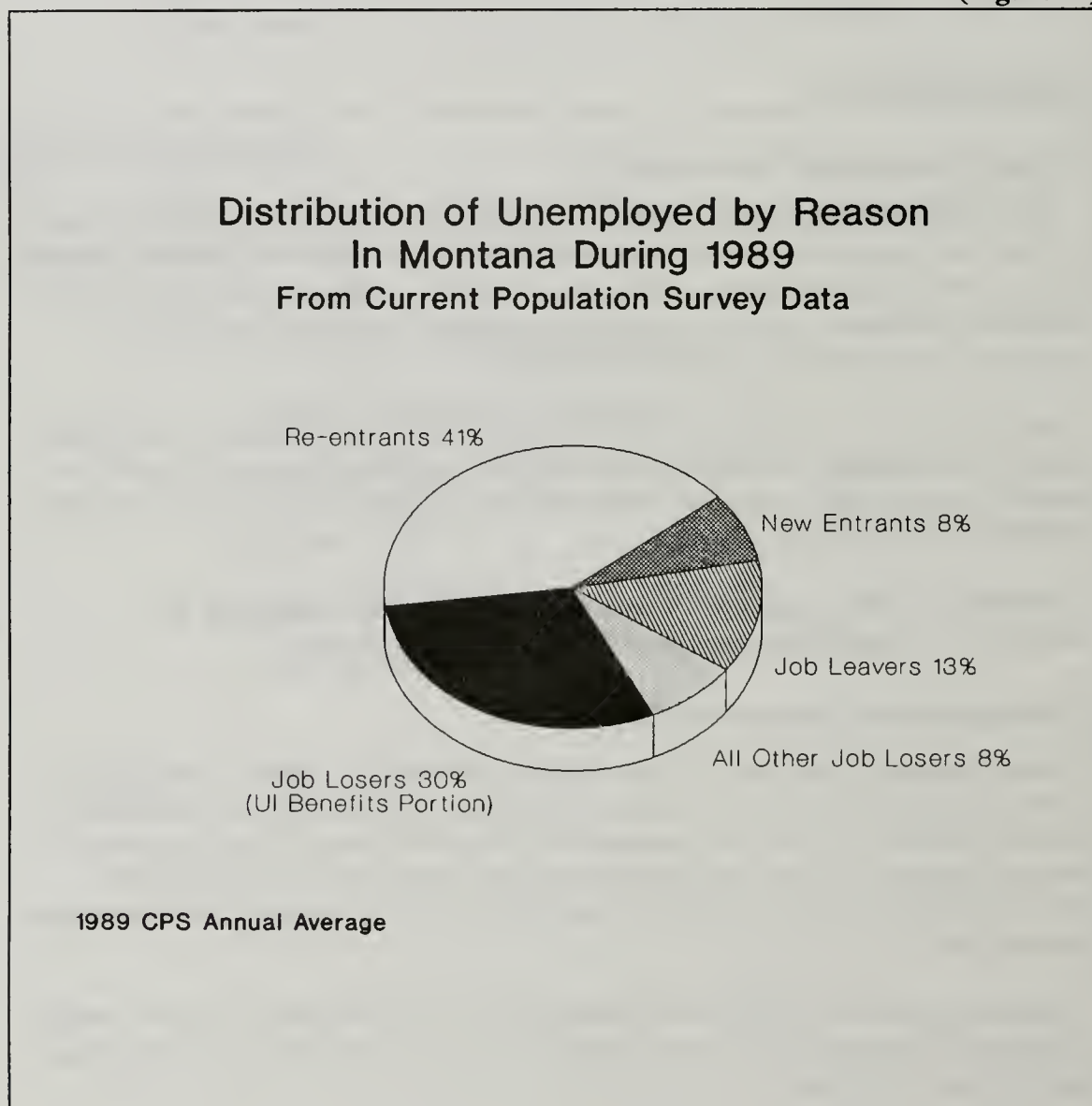
The unemployment insurance data base gathers information **only** for those receiving regular UI benefits. The Current Population Survey data base covers **all** types of unemployed situations.

Reasons for Unemployment

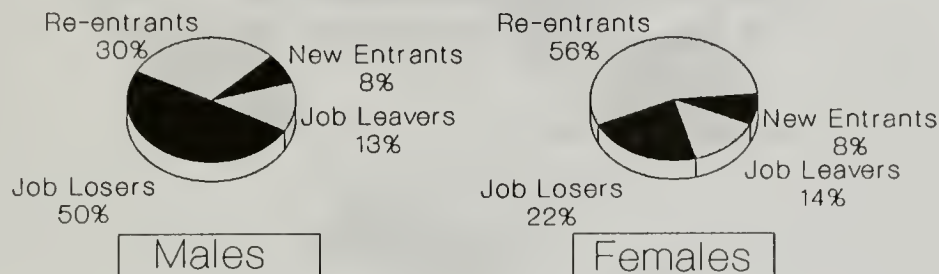
In 1989, only about one-third of those considered unemployed by CPS definition received UI benefits. As *Figure 12* indicates, re-entrants into the labor market accounted for the largest group of unemployed. Together, the re-entrants category and the new entrants category accounted for nearly one-half of the total unemployed.

Nationally, re-entrants and new entrants comprise about two-fifths of the total unemployed. The largest category nationally was job losers, accounting for 46 percent of U.S. unemployment.

(Figure 12)



Distribution of Unemployed by Reason For Male & Female Montanans in 1989 From Current Population Survey Data



1989 CPS Annual Average

Reasons for Unemployment for Men and Women

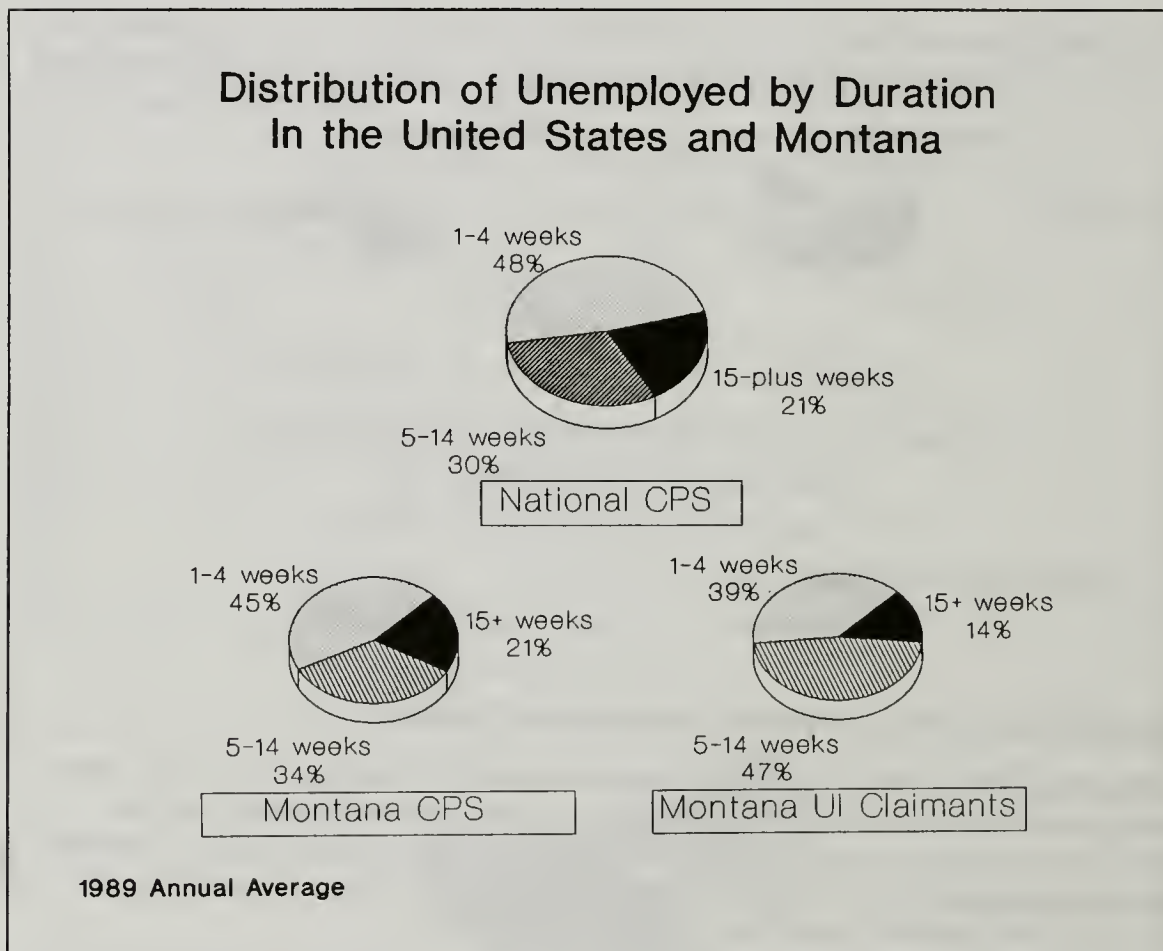
While the 1989 unemployment rate for men and women was nearly the same, there was a noticeable difference in the major reason given for being unemployed between the two groups as can be seen in *Figure 13*. The job losers category dominated the male group, and the re-entrants category was most common with unemployed females. Some possible causes for this disparity are that:

- The construction, mining, and manufacturing industries have the highest unemployment rates among the major industry groups. There is, consequently, a far greater risk of job loss faced by the male-dominated work force in goods-producing industries than in the female-dominated work force in service-producing industries.
- National statistics indicate adult women account for 62 percent of the total labor force gains made in the last seven years. Women, however, often drop out of the labor force during some of their child-rearing years – and are classified as unemployed re-entrants when they return to the labor force to look for jobs.

Duration of Unemployment

Montana's CPS unemployed experienced a positive shift from long-term unemployed to shorter-term unemployed from 1988 to 1989. The portion of long-term unemployed (15-plus weeks duration) dropped from 31 percent to 21 percent. This put Montana more in line with the national situation, as *Figure 14* illustrates.

(Figure 14)

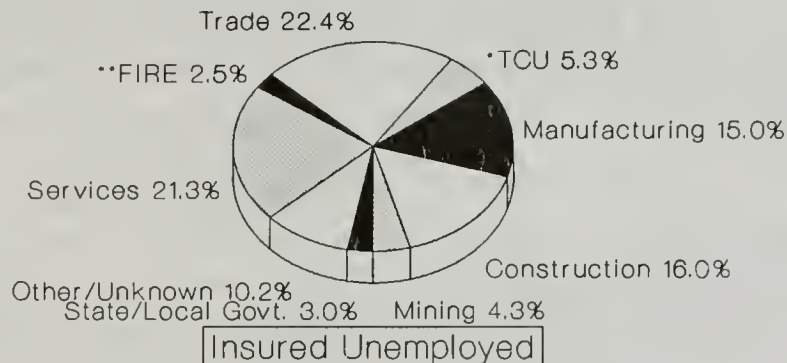
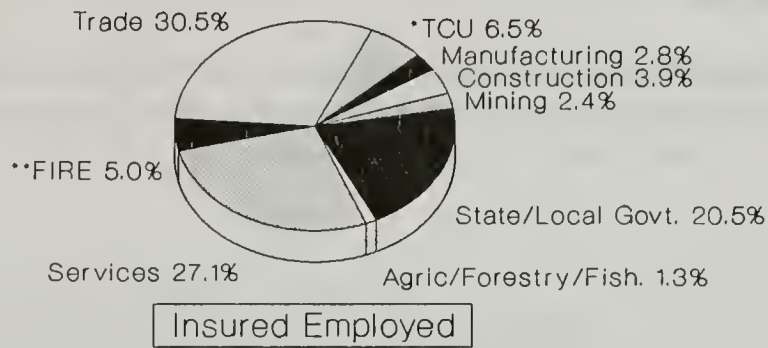


Nearly one-half of Montana's UI claimants experienced an unemployment period of between 5 and 14 weeks.

The largest number of Montana's CPS unemployed fell into the one-to four-week time period. A smaller percentage of long-term unemployed showed up among the UI claimant group than among the CPS group. That's because the UI claimant tally does not include those workers who have exhausted their benefits and are still seeking work – and the CPS does.

One-third of UI beneficiaries exhausted their benefits in 1989.

Distribution by Industry Of Insured Employed & Unemployed In Montana's Insured Work Force in 1989 (Excluding Federal & Railroad Workers)



*Transportation, Communications & Utilities
**Finance, Insurance & Real Estate

UI Benefits 1989 Annual Average

Unemployment by Industry

The pie charts included in *Figure 15* illustrate the difficulties of maintaining continuous jobs in the goods-producing sector.

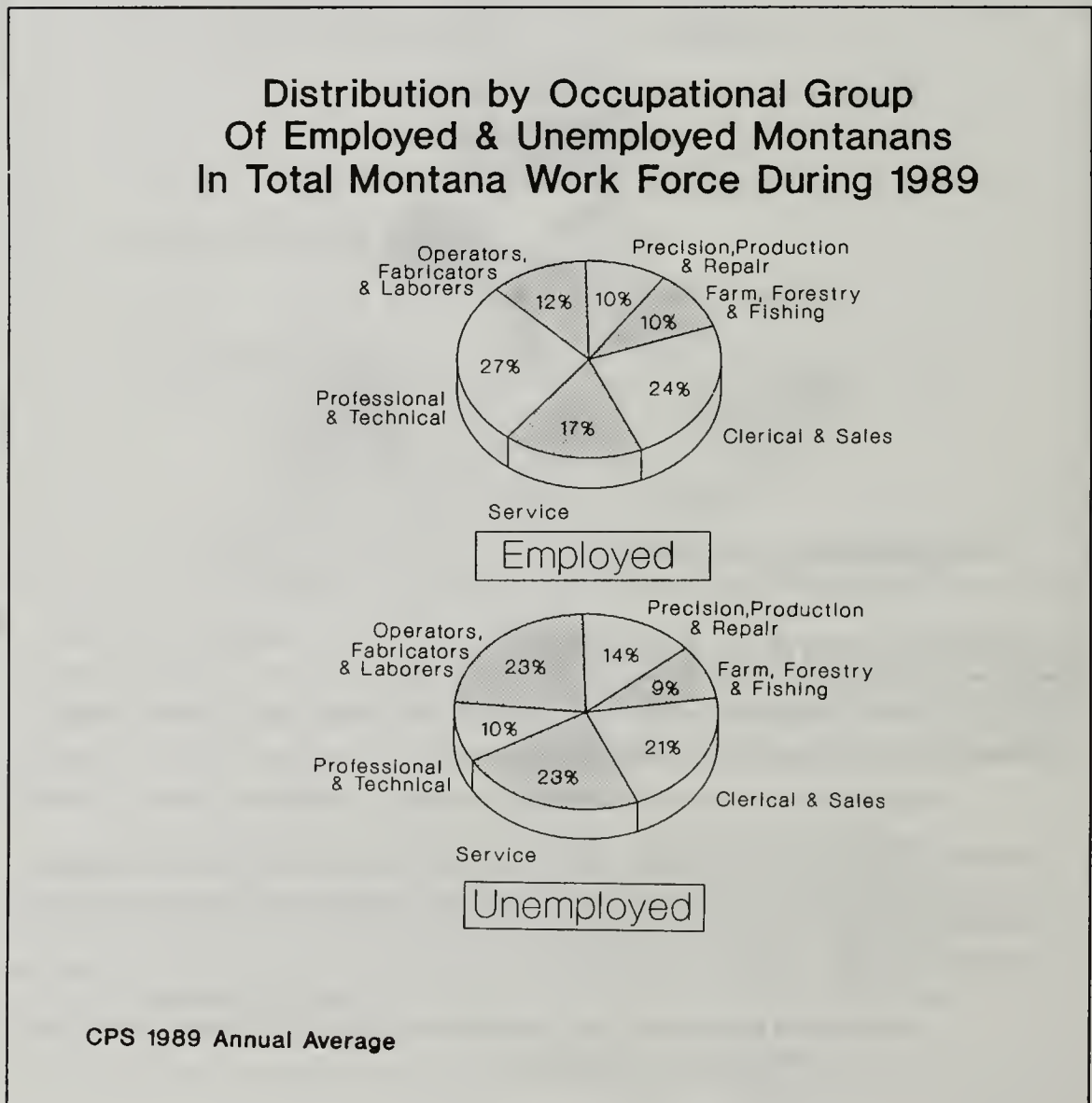
- Montana's construction, mining, and manufacturing industries accounted for 14 percent of the total insured jobs in 1989—but 35 percent of the insured unemployed. Nationally, these same 3 industries accounted for 24 percent of the total insured jobs—and 45 percent of the insured unemployed count.
- In 1989, none of the service-producing industries had a greater unemployed percentage than employed portion in Montana--which was also true of the rest of the nation.

- State and local government showed the strongest continuous job attachment in both Montana and the nation.

This particular unemployment series does not reflect job leavers, re-entrants and new entrants. For example, the trade industry shows a greater percentage of unemployed than employed under the CPS series because of a significant number of job leavers.

The “other” and “unknown” unemployed group in *Figure 15* includes primarily claimants whose wage credits and employment information were attached to other states.

(Figure 16)



Unemployment by Occupation

The information in *Figure 16* illustrates that unemployment is more prevalent in some occupations. To a certain degree, occupations requiring more education showed a lower rate of unemployment than occupations requiring less education. Also, Montana's seasonal work has an influence on the type of occupations that experience greater occurrences of unemployment. For instance, the operator/fabricator/laborer group showed nearly a doubling in the percent distribution from employment to unemployment. In contrast, the professional/technical group showed a drop of about one-third from employment to unemployment.

Unemployed Drawing UI Benefits

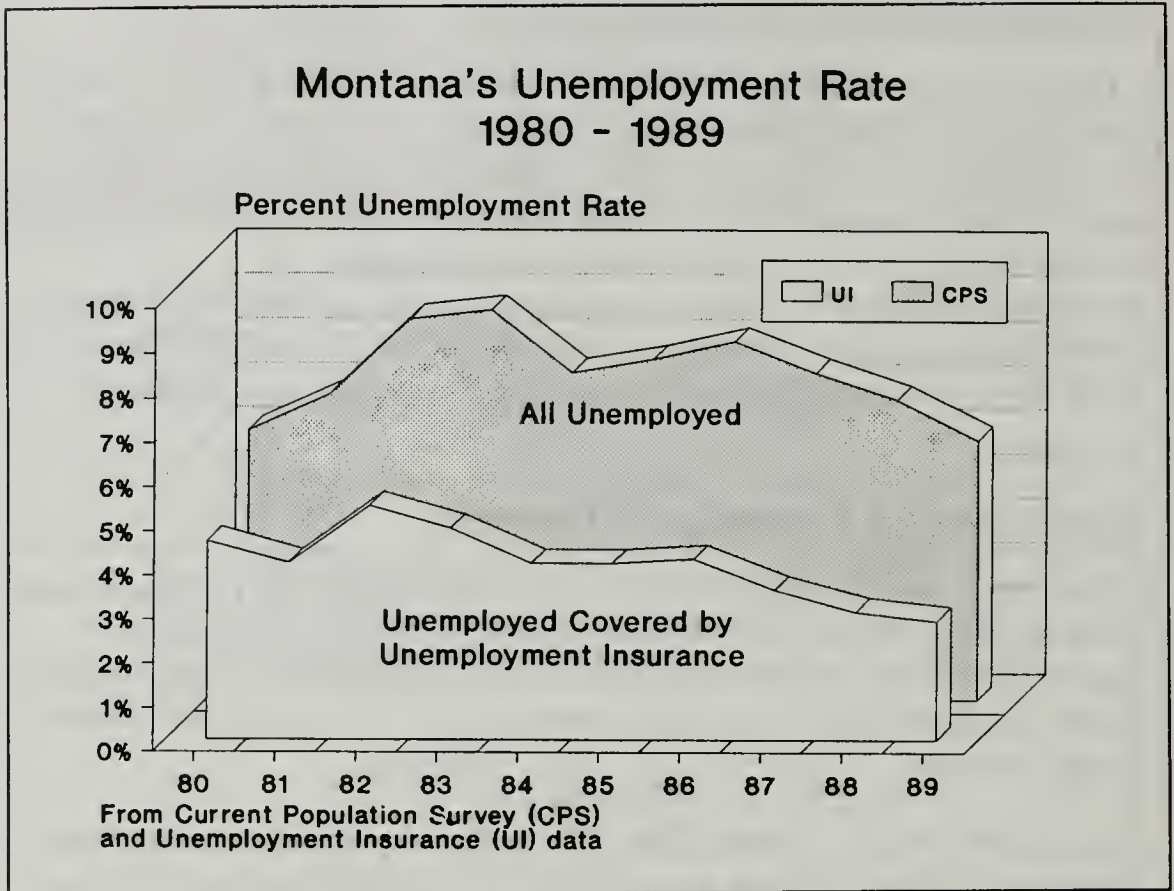
The CPS is the official definition for the unemployment rate that is used in the allocation of certain federal funds, and is frequently quoted in economic reports. In contrast, the insured unemployment rate is rarely referred to. It reflects on the majority of job losers with work experience – and on many of the seasonal layoffs that occur.

During 1989, Montana workers covered by the UI program accounted for 70 percent of the CPS jobs – but only about one-third of the total unemployed. In comparison, covered workers accounted for 91 percent of the CPS jobs nationally – and also one-third of the total unemployed. The main reason for Montana's covered percentage being lower than the national percentage is the strong influence self-employed and unpaid family workers have on Montana's job picture, particularly in agriculture.

Figure 17 on the following page illustrates how the 2 unemployed series followed a similar pattern over the past decade, with the UI rate averaging just under one-half of the CPS rate.

- The lowest rate was in 1989 for both series.
- The highest rates were in 1982 for insured unemployed – and in 1983 for the CPS rate.

(Figure 17)



◆ GLOSSARY ◆

Administrative Records Search - A process used by Montana's Mass Layoff Statistics program to determine if workers laid off in selected layoff situations have found jobs in Montana or are still receiving unemployment insurance benefits.

Continued Claimant - A person who has certified for, and who receives Unemployment Insurance (UI) benefits after filing an initial claim.

Covered Employment - Employment covered by Unemployment Insurance programs.

Current Population Survey (CPS) - Monthly survey conducted by the Bureau of the Census for the U.S. Department of Labor's Bureau of Labor Statistics. Gathers information on employment and unemployment, occupation, industry, age, sex, race and marital status from a scientific sampling of U.S. households.

Dislocated Worker - A person who has lost job because of technological change, reduction in workforce, plant closure or changing labor demands – and is unlikely to find the same kind of employment in the same geographic area.

Economic Dislocation and Worker Adjustment Assistance Act (EDWAA) - Replaces Title III of the Job Training Partnership Act (JTPA), and provides funding to state dislocated worker programs. Any dislocated worker can be served by EDWAA-funded programs which provide skills evaluation, career counseling, job training and retraining, and job seeking skills.

Establishment - A unit at a single physical location at which predominantly one type of economic activity is conducted.

Exhaustee - A person who has used up all Unemployment Insurance benefits entitled to within a benefit year.

Initial Claimant - A person who files notice of unemployment to initiate a request for unemployment insurance compensation. The Mass Layoff Statistics (MLS) program only considers those who **qualify** for benefits as initial claimants.

Job Training Partnership Act (JTPA) - Was established by Congress to replace the Concentrated Employment Act (CETA) in job search, placement, relocation and training assistance. Each state designs local plans for JTPA programs through a Private Industry Council (PIC).

Local Area Unemployment Statistics (LAUS) - A program run in cooperation with the U.S. Bureau of Labor Statistics that measures employment, unemployment, the Civilian Labor Force and the unemployment rate on county and state levels.

Layoff - The separation of persons from an employer as part of a mass layoff event. Such layoffs involve both persons subject to recall, and those whose employment is terminated by the employer.

Layoff Event - Under national Permanent Mass Layoff guidelines, a layoff event involves 50 or more initial claims for unemployment insurance benefits from an establishment during a consecutive 3-week period – with at least 50 workers separated from their jobs for more than 30 days. **In Montana, layoffs of 20-49 workers are also monitored and reported.**

Mass Layoff Statistics (MLS) Program - Formerly known as the Permanent Mass Layoff and Plant Closing (PMLPC) program. Monitors and studies layoffs by monitoring unemployment insurance claims and studying layoffs in which 50 or more initial claims are filed against an employer within a 3-week period. **The Montana MLS program also monitors and reports layoffs of 20-49 workers.**

Permanent Layoff Event - A layoff event that is expected to last 30 days or more.

Separated Worker - An individual who has become separated from his or her work during a layoff event.

Temporary Layoff Event - A layoff event that is expected to last fewer than 30 days.

Trade Adjustment and Assistance Act (TAA) - Established by Congress to provide for assistance to U.S. workers who lose jobs due to foreign trade competition.

Unemployment Insurance (UI) - Supplemental payment to workers who are temporarily unable to find work due to an imbalance in labor market forces.

Worker Adjustment and Retraining Notification Act (WARN) - Established by Congress to protect U.S. workers from sudden mass layoffs. It requires that employers of 100 or more workers give advance notice of a plant closing or mass layoff that affects 50 or more workers.



The Montana State Job Service Division maintains 23 local Job Service Offices in principal cities of Montana. You are invited to call on any of these offices for assistance in filling positions in your organization, obtaining additional labor market information and for receiving other services in connection with your employment needs.

LOCAL JOB SERVICE OFFICE LISTING

ANACONDA
307 E. Park
Anaconda, MT 59711
(563-3444)

GLASGOW
238 2nd Ave. S.
Glasgow, MT 59230
(228-9369)

FLATHEAD
427 1st Ave. E.
Kalispell, MT 59901
(752-5627)

POLSON
417 Main Street
P.O. Box 970
Polson, MT 59860
(883-5261)

BILLINGS
Main & Satellite Ofc.
624 N. 24th Street
Billings, MT 59101
(259-5529)

GLENDIVE
211 S. Kendrick
Glendive, MT 59330
(365-3314)

LEWISTOWN
300 First Ave. N.
Lewistown, MT 59457
(538-8701)

SHELBY
402 1st Street S.
Shelby, MT 59474
(434-5161)

BOZEMAN
121 N. Willson
Bozeman, MT 59715
(586-5455)

GREAT FALLS
1018 7th St. S.
Great Falls, MT 59405
(761-1730)

LIBBY
317 Mineral Ave.
Libby, MT 59923
(293-6282)

SIDNEY
120 S. Central
Sidney, MT 59270
(482-1204)

BUTTE
206 W. Granite
P.O. Box 309
Butte, MT 59703
(782-0417)

HAMILTON
333 Main Street
P.O. Box 73
Hamilton, MT 59840
(363-1822)

LIVINGSTON
228 S. Main
P.O. Box 1199
Livingston, MT 59047
(222-0520)

THOMPSON FALLS
608 Main Street
P.O. Box 669
Thompson Falls, MT 59873
(827-3472)

CUT BANK
20 S. Central
Cut Bank, MT 59427
(873-2191)

HAVRE
416 1st St.
Havre, MT 59501
(265-5847)

MILES CITY
12 N. 10th
P.O. Box 1786
Miles City, MT 59301
(232-1316)

WOLF POINT
200 Highway 2 East
Wolf Point, MT 59201
(653-1720)

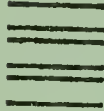
DILLON
730 N. Montana
P.O. Box 1300
Dillon, MT 59725
(683-4259)

HELENA
715 Front Street
Helena, MT 59601
(449-6006)

MISSOULA
539 S. 3rd St. W.
P.O. Box 5027
Missoula, MT 59806
(728-7060)

Return in 5 days to :
Research & Analysis Bureau
Department of Labor & Industry
P.O. Box 1728
Helena, MT 59624

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